

## Message Text

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ACTION IO-14

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UNCLAS SECTION 01 OF 03 GENEVA 10084

ROME FOR FODAG

E.O. 11652: N/A  
TAGS: UNDP  
SUBJECT: UNDP GOVERNING COUNCIL: AN ANALYSIS OF THE  
SESSION

1. SUMMARY: AT THE 25TH SESSION OF THE COUNCIL, NO  
SINGLE ISSUE DOMINATED AND NO SIGNIFICANT CONFRONTATION  
DEVELOPED. OVERALL, US OBJECTIVES FOR THE SESSION WERE  
MET. AS FOR THE LONGER-TERM, THE COUNCIL REAFFIRMED  
UNDP'S CENTRAL ROLE IN THE UN DEVELOPMENT SYSTEM AND  
CALLED FOR CONTINUED IMPROVEMENTS WITH REGARD TO  
FINANCIAL AND MANAGEMENT OPERATIONS. ALTHOUGH THE US AND  
OTHER DELEGATIONS URGED GREATER ATTENTION TO BHN, THERE  
CONTINUED TO BE DIFFERENCES OF VIEW AS REGARDS THE  
EMPHASIS TO BE GIVEN TO THIS CONCEPT BY UNDP. END  
SUMMARY.

2. PROGRAM CONSIDERATIONS - A. THE MAJOR THEME OF THE  
COUNCIL WAS THE REVIEW OF THE ROLE AND ACTIVITIES OF  
UNDP WHICH WAS INITIATED LAST YEAR. UNLIKE THE 24TH  
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SESSION WHICH WITNESSED HEATED DEBATES BETWEEN LDC'S AND  
DC'S AND BETWEEN UNDP AND THE SPECIALIZED AGENCIES,  
DISCUSSION THIS YEAR WAS CHARACTERIZED BY GENERAL AGREE-  
MENT REGARDING UNDP'S CENTRAL ROLE IN THE UN DEVELOPMENT  
SYSTEM AND THE DESIGNATION OF THE RESIDENT REPRESENTATIVE  
AS THE SINGLE OFFICIAL RESPONSIBLE FOR THE COORDINATION  
AT THE FIELD LEVEL OF ALL UN OPERATIONAL ACTIVITIES. THE

UNDP ADMINISTRATOR POINTED OUT THAT RESIDENT REPRESENTATIVE WOULD HOWEVER NOT BE RESPONSIBLE FOR NON-OPERATIONAL, I.E. POLITICAL, ACTIVITIES ON BEHALF OF THE UN SECRETARY GENERAL. THE AGENCIES, BY THEIR TOTAL SILENCE IN THE DELIBERATIONS, APPEARED TO ACCEPT THIS CONSENSUS, NO DOUBT BECAUSE THE ACC HAD MET SHORTLY BEFORE THE SESSION TO DISCUSS THOSE ASPECTS OF RESTRUCTURING BEARING UPON UNDP'S PLACE IN THE SYSTEM AND REPORTEDLY HAD RESOLVED THE MOST TICKLISH QUESTIONS IN UNDP'S FAVOR. THE COUNCIL FULLY ENDORSED THE CONCLUSIONS OF THE ACC IN THIS RESPECT. COUNCIL DEBATE WAS ALSO SOFTENED BECAUSE THE MAJOR CONTROVERSIAL ISSUES BETWEEN THE G-77 AND THE DEVELOPED COUNTRIES WERE VETTED LAST YEAR.

B. THE CONCEPT OF BASIC HUMAN NEEDS, AS SUCH, DID NOT GAIN WIDE ACCEPTANCE AT THE COUNCIL. GENERAL AGREEMENT WAS HOWEVER VOICED IN UNDP PURSUING AN ANTIPOVERTY ORIENTATION. THERE WAS ALSO A CONSENSUS THAT THE LARGEST SHARE OF UNDP RESOURCES SHOULD BE PROGRAMMED FOR THE RLDC'S. THERE WAS LITTLE DISCUSSION TO ENCOURAGE MIDDLE-INCOME COUNTRIES TO SURRENDER THEIR IPFS, THOUGH CONTINUED COST-SHARING ARRANGEMENTS WERE GENERALLY ENDORSED.

C. UNDP WAS CONGRATULATED FOR ITS FIRST THEME STUDIES AND EVALUATION REPORTS AND WAS REQUESTED TO CONTINUE THE SERIES. A STRENGTHENED IN-HOUSE EVALUATION EFFORT  
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PROMPTED BY THE US WAS SUPPORTED BY THE COUNCIL.

D. UNDP'S SLOW RATE OF DELIVERY IN 1977 WAS UNIVERSALLY DECRIED. CAUTION WAS EXPRESSED ON THE OTHER HAND THAT UNDP SHOULD NOT ATTEMPT TO ACCELERATE DELIVERY AT TOO FAST A PACE AS IT DID IN 1974-1975 WHEN IN LARGE MEASURE IT RESULTED IN THE 1975-1976 FINANCIAL CRISIS.

E. A GENERAL CRITICAL NOTE WAS SOUNDED, PRINCIPALLY BY THE DC'S, REGARDING THE FAILURE OF UNDP TO ATTAIN THE 14 GROWTH RATE. CONCERN WAS REGISTERED ABOUT UNDP'S RATE OF PROJECT AND PROGRAM APPROVAL IN THE LIGHT OF THIS FACTOR.

F. GENEROUS WORDS OF PRAISE WERE EXPRESSED FOR NEW INITIATIVES AND DYNAMISM REFLECTED IN THE CAPITAL DEVELOPMENT FUND (CDF) AND THE UNITED NATIONS VOLUNTEERS (UNV). THE US EFFORT TO RELAX SOME OF THE BUREAUCRATIC CONSTRAINTS PUT ON THE UNV BY DONOR COUNTRY'S SENDING ORGANIZATIONS WAS RESISTED BY WESTERN EUROPEANS BUT THE DOOR IS AT LEAST OPEN NOW FOR THE UNV COORDINATOR TO PROPOSE CHANGES NEXT YEAR WHICH WILL AIM AT EXPANDING UNV.

THE QUESTION OF IPF FUNDING AS A CONSTRAINT WILL BE  
AVIDLY DEBATED AT NEXT YEAR'S SESSION.

G. THE PRINCIPLE OF THE UNIVERSALITY OF THE UNDP PRO-  
GRAM AND THE SOVEREIGN RIGHTS OF RECIPIENT GOVERNMENTS  
TO DECIDE THE COMPOSITION OF THEIR COUNTRY PROGRAMS WAS  
UNDERScoreD BY THE COUNCIL. TO CLARIFY THE DISTINCTION  
BETWEEN GOVERNMENT MANAGEMENT AND GOVERNMENT EXECUTION  
OF PROJECTS, THE UNDP SECRETARIAT ISSUED A STATEMENT,  
WHICH WAS GENERALLY ACCEPTED BY THE COUNCIL, NOTING THAT  
ALL RECIPIENT GOVERNMENTS HAD RESPONSIBILITY FOR THE

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ROME FOR FODAG

MANAGEMENT OF ALL UNDP PROGRAMS AT THE COUNTRY LEVEL BUT  
THAT THEY HAD AN OPTION TO DECIDE WHETHER TO ASSUME  
RESPONSIBILITY FOR THE DIRECT EXECUTION OF PROJECTS OR  
TO ENTRUST THIS RESPONSIBILITY TO THE SPECIALIZED  
AGENCIES.

H. THE JIU'S REPORT ON EXPERTS WAS DISCUSSED IN BOTH THE  
PLENARY AND IN THE BUDGET AND FINANCE COMMITTEE. THERE  
WAS GENERAL AGREEMENT THAT THE REPORT AND THE JIU'S  
RECOMMENDATIONS WERE TOO COMPLEX FOR FULL ENDORSEMENT.

I. PARTICULARLY IN LIGHT OF THE UN RESTRUCTURING  
EXERCISE THE COUNCIL APPLAUDED THE VERY CONSTRUCTIVE  
STATEMENT MADE BY THE DIRECTOR GENERAL FOR DEVELOPMENT  
AND INTERNATIONAL ECONOMIC COOPERATION.

2. POLITICAL ISSUES - A. FROM THE US STANDPOINT, THE MOST TROUBLESOME POLITICAL ISSUES WHICH AROSE CONCERNED (A) THE ATTEMPT OF THE ARAB STATES AND SOME OTHER MEMBERS OF THE G-77 TO OBTAIN UNDP ASSISTANCE FOR THE UNCLASSIFIED

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PLO. THE US SUCCEEDED IN INFORMAL CONTACTS IN PREVENTING A FORMAL DECISION BY THE COUNCIL ON THIS ISSUE; AND (B) AN INORDINATE INCREASE OF UNDP ASSISTANCE FOR THE NATIONAL LIBERATION MOVEMENTS (NLM) RECOGNIZED BY THE OAU. UNDP'S REGIONAL AFRICA BUREAU HEAD INFORMED THE COUNCIL THAT HE WAS FOLLOWING EARLIER COUNCIL DECISIONS AND OVER-PROGRAMMING UNDP RESOURCES FOR THE NLM. THE FOLLOWING CAN BE REASONABLY EXPECTED TO FOLLOW AT SUBSEQUENT COUNCIL SESSIONS: FOR (A) A PROPOSAL TO ESTABLISH AN IPF FOR THE PLO; FOR (B) AN INCREASED IPF LEVEL.

B. THE RE-INTRODUCTION OF ITEM 13 (UN FUND FOR LAND-LOCKED DEVELOPING COUNTRIES) ON THE COUNCIL'S AGENDA WAS DISTRESSING TO MOST DC DELEGATIONS. DESPITE CONTINUED REJECTION OF THE FUND BY THE DC'S, LAND-LOCKED LDC'S CONTINUE TO MAKE A STRONG PLEA FOR SUPPLEMENTARY ASSISTANCE. SUCH INSISTENCE COULD CONCEIVABLY LEAD TO AN LDC MOTION THAT THE COUNCIL TAKE A VOTE ON THE ISSUE, THEREBY ENDANGERING THE PRINCIPLE OF CONSENSUS WHICH, SO FAR, HAS SUCCESSFULLY DISTINGUISHED THE UNDP COUNCIL FROM OTHER UN FORA.

C. ANOTHER ISSUE WHICH GAVE THE US PARTICULAR CONCERN WAS THE PROPOSED UNFPA PROGRAM FOR VIETNAM, THE PROBLEM WAS SATISFACTORILY RESOLVED. THE UNFPA EXECUTIVE DIRECTOR WAS MOST HELPFUL IN THIS MATTER. THE UK FULLY SUPPORTED US ACTIONS.

3. MANAGEMENT PROBLEMS - A. THE COUNCIL SPOKE AS A SINGLE VOICE IN URGING FURTHER MANAGEMENT IMPROVEMENTS AND POSING POINTED QUESTIONS WHENEVER ADDED COSTS WERE IMPLIED.

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B. UNDP REPORTED ON THE RESULTS OF THE FIRST PHASE OF THE INTEGRATED SYSTEMS IMPROVEMENT PROGRAM (ISIP) WHICH WAS CARRIED OUT UNDER CONTRACT. A SECOND PHASE IS TO BE INITIATED IN SEPTEMBER FOR WHICH UNDP RECOMMENDED THAT

\$500,000 BE AUTHORIZED FROM ITS OWN RESOURCES. THE USDEL CONFIDENTIALLY HEARD DISTRESSING REPORTS ABOUT UNDP'S LOOSE MANAGEMENT OF THE CONTRACT BUT WAS INFORMED THAT ITS OVERSIGHT COMMITTEE WAS BEING SHAKEN UP.

C. THE UNDP ADMINISTRATOR WAS CONGRATULATED FOR INITIATIVES HE HAS TAKEN TO IMPROVE UNDP'S RELATIONS WITH THE SPECIALIZED AGENCIES, PARTICULARLY FOR HAVING ESTABLISHED AN AGENCY TASK FORCE AT UNDP HEADQUARTERS.

D. ALTHOUGH THE CANADIAN PROPOSAL TO ESTABLISH A PROGRAM COMMITTEE WAS NOT ADOPTED BY THE COUNCIL, THERE WAS A CONSENSUS THAT THE COUNCIL SHOULD DEVOTE MORE TIME TO SUBSTANTIVE AND PROBLEM-ORIENTED ISSUES, SUCH AS UNDP'S ROLE IN THE SECTORAL SUPPORT PROVIDED BY THE AGENCIES.

4. OTHER - A. NO SINGLE MEMBER STATE STOOD OUT IN A LEADERSHIP CAPACITY. AS IN THE PAST THE DUTHC, FRG, CANADIANS AND SWEDES, ALONG WITH THE US, WERE THE MOST VOCAL AMONG THE DC'S. FRANCE PLAYED ITS USUAL NEGATIVE ROLE. THE PAKISTANIS AND INDIANS AND AT TIMES THE BRAZILIANS ECHOED THE CAUSE OF THE LDC'S MOST VOLUBLY. FOR THE FIRST TIME IN THE HISTORY OF THE COUNCIL THE ARAB STATES SPOKE AS AN ORGANIZED GROUP, DUE IN SOME MEASURE TO THE FACT THAT THE RECENTLY ESTABLISHED UNDP ARAB BUREAU WAS REPRESENTED. KUWAIT AND JORDAN WERE THE ARAB'S PRINCIPAL SPOKESMEN.

B. THE US, AUSTRALIA, THAILAND, NORWAY, SIERRA LEONE AND SWEDEN WERE THE ONLY MEMBERS WHICH SENT HIGH-LEVEL

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REPRESENTATIVES TO THE COUNCIL.

C. DISCUSSION OF WOMEN'S ROLE IN DEVELOPMENT WAS HIGHLIGHTED BY SPECIAL ADDRESSED BY MS. SIPILA AND AMBASSADOR SHAHANI (CHAIRMAN OF THE VOLUNTARY FUND FOR THE UN DECADE FOR WOMEN).

D. THE NORDICS SUPPORTED BY MANY LDC'S PRESSED A RELENTLESS CAMPAIGN FOR MULTI-YEAR FINANCING OF UNDP BUT TO LITTLE AVAIL. THE SWEDISH CAMPAIGN CALLING FOR FORMAL BURDEN SHARING AGREEMENTS DID NOT SUCCEED AT THIS SESSION.

E. A MAJOR SETBACK FOR THE UNDP ADMINISTRATOR WAS REFLECTED IN THE COUNCIL'S QUESTIONING ATTITUDE ON UNDP'S ASSUMPTION OF RESPONSIBILITY FOR THE FORMER FAO-ADMINISTERED INDUSTRY COOPERATION PROGRAM (ICP). THE ADMINISTRATOR WAS SEVERELY CRITICIZED FOR NOT HAVING ENTERED THIS SUBJECT ON THE COUNCIL'S AGENDA YET HAVING INTRODUCED IT LATE IN THE COUNCIL SESSION WITH-UNCLASSIFIED

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OUT HAVING CIRCULATED RELEVANT BACKGROUND PAPERS. ALTHOUGH THE TRANSFER OF ICP TO UNDP WAS SCHEDULED TO TAKE PLACE JULY 1, THE ADMINISTRATOR MADE A STATEMENT ACKNOWLEDGING THE LACK OF CONSENSUS AND SAID THE TRANSFER WOULD NOT TAKE PLACE. IT IS BELIEVED THAT THE ICP WILL ASSUME NGO STATUS AND CONTINUE TO OPERATE UNDER SUCH AUTHORITY.

F. THE NEWLY APPOINTED DEPUTY ADMINISTRATOR, IN HIS FIRST APPEARANCE AT THE COUNCIL, MADE A MOST FAVORABLE IMPRESSION IN BOTH PLENARY AND BUDGET AND FINANCE COMMITTEE MEETINGS. IN USDEL'S VIEW THE US SHOULD DEVELOP CLOSE WORKING RELATIONSHIPS WITH HIM SINCE HE WILL NO DOUBT PLAY AN IMPORTANT MANAGERIAL ROLE IN UNDP. HE ALSO GAVE STRONG EVIDENCE THAT HE HAS A GOOD UNDERSTANDING OF DEVELOPMENT ISSUES.

G. THERE WAS GENERAL DISAPPOINTMENT ON THE PART OF DELEGATIONS REGARDING THE MANAGEMENT OF THE CONFERENCE. BACKGROUND PAPERS WERE INORDINATELY LATE IN BEING DISTRIBUTED AND AGENDA ITEMS IN THE PLENARY WERE POORLY GROUPED. IN THE BUDGET AND FINANCE COMMITTEE, SECRETARIAT MEMBERS AT ONE POINT COULD NOT GIVE SATISFACTORY RESPONSES AND THE DEPUTY ADMINISTRATOR FELT

IMPELLED TO TAKE OVER AND SUCCESSFULLY DID SO.

H. A US INITIATIVE TO DRAW UP TERMS OF REFERENCE FOR THE DISCUSSION ON THE MID-TERM REVIEW AT NEXT YEAR'S COUNCIL MEETING WAS REGRETTABLY NOT ADOPTED. THE INITIATIVE HAD BEEN TO STRUCTURE THE DEBATE TO PROVIDE PROGRAM GUIDANCE FOR THE BALANCE OF THE CURRENT PROGRAM CYCLE AND LAY THE FOUNDATION FOR THE PLANNING OF THE 1982-1986 CYCLE. THE SOVIET BLOC, JOINED BY SOME LDC'S, OPPOSED THE US PROPOSAL AND URGED THE COUNCIL TO UNCLASSIFIED

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LEAVE THE RESPONSIBILITY FOR ORGANIZING THE AGENDA ITEM TO THE UNDP ADMINISTRATOR. THE PRESIDENT OF THE COUNCIL, HOWEVER, URGED THE ADMINISTRATOR TO BE GUIDED BY THE POINTS MADE BY THE US. GIVEN THE IMPORTANCE OF THE MID-TERM REVIEW, THE USDEL BELIEVES THAT HIGH-LEVEL REPRESENTATION IS DICTATED FOR THIS MEETING. IT WILL BE ESSENTIAL TO DEVELOP A STRATEGY OF CONSULTATIONS WITH KEY DC'S AND LDC'S ALIKE TO ENSURE HARMONIZATION OF VIEWS.

I. A CONSENSUS DEVELOPED TO CONVENE A JANUARY 1979 MEETING TO REVIEW COUNTRY AND INTERCOUNTRY PROGRAMS. THE COUNCIL DECISION, PARTICULARLY AT THE URGING OF THE SWEDES, URGED THE ADMINISTRATOR TO TRY TO PRESENT SUCH PROGRAMS IN FUTURE YEARS AT THE COUNCIL'S ANNUAL SESSIONS. THE INTERGOVERNMENTAL WORKING GROUP ON OVERHEAD COSTS IS ALSO SCHEDULED AT THAT TIME. THE JULY 1979 SESSION IS SCHEDULED TO BE HELD IN NEW YORK. VANDEN HEUVEL

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